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South Africa - Republic of

Oilseeds and Products Annual

The report focuses on the supply and demand of oilseeds and oilseed products in South Africa

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Report Highlights:
It is expected that the area to be planted with oilseeds in South Africa for the 2012- marketing year will increase due to the recovery of oilseed prices and less corn plantings. For the 2011-marketing year South Africa will produce a record oilseed crop of 1.626 million tons on 1.116 million hectares. A 70 percent increase in the production of sunflower seed to 831,220 tons is expected compared to the 2010-marketing year. The soybean crop for 2011-marketing year is estimated at a record 709,350 tons, almost 26 percent more than in the 2010-marketing year. Peanut production is estimated at 85,575 tons three percent less than the 88,000 tons produced for the 2010/11-marketing year. Due to the expected bumper soybean and sunflower crop in the 2011, it is estimated that South Africa will crush about

990,000 tons of oilseeds, producing approximately 496,000 tons of meal and 334,000 tons of oil. However, South Africa's annual consumption of oilseed meal at about 1.5 million tons and vegetable oil at 1.0 million tons exceeds production. This means that for the 2011-marketing year South Africa will have to import about 1.1 million tons of oilseed meal and 800,000 tons of vegetable oil.

Executive Summary:
Post forecasts South Africa's sunflower production for the 2012-marketing year at 845,000 tons (two percent more than in the 2011-marketing year) on 650,000 hectares. The area to be planted with soybeans will also increase to 500,000 hectares, which could produce 850,000 tons of soybeans (20 percent more than in the 2011-marketing year). Peanut production for the 2011/12 marketing year is expected to stay constant at 85,000 tons.

South Africa will produce a record oilseed crop of 1.626 million tons on 1.116 million hectares for the 2011-marketing year on the back of lower corn prices that resulted in 45 percent increased in oilseeds hectares planted and favorable weather conditions . Of the 1.116 hectares planted with oilseeds, sunflowers constitute about 58 percent, soybeans 37 percent and peanuts five percent. A 70 percent increase in the production of sunflower seed is expected for the 2011-marketing year compared to the 2010-marketing year (from 490,000 tons in 2010 to 831,220 tons in 2011). The soybeans crop for 2011-marketing year is estimated at a record 709,350 tons, almost 26 percent more than in the 2010-marketing year. Soybean production in South Africa increased by more than three-fold the past five years and could reach 1.62 million tons by 2020 if the trend continues. With the increased production of soybeans and limited processing facilities, South Africa has become a net exporter of soybeans. South Africa exported 122,814 tons of soybeans in the 2010-marketing year and expectation are that it will increase to 245,000 tons in the 2011-marketing year. It is estimated that about 85,575 tons of peanuts will be produced for the 2011/12- marketing year, three percent less than the 88,000 tons produced for the 2010/11-marketing year.

Due to a bumper soybean and sunflower crop, it is estimated that South Africa will crush about 990,000 tons of oilseeds producing approximately 496,000 tons of oilseed meal and 334,000 tons of oil in 2011. This represents only 32 percent of the local consumption of oilseed meal and 30 percent of vegetable oil per annum. This means that for the 2011-marketing year South Africa's imports of oilseed meal and vegetable oil is expected to be around 1.1million tons and 800,000 tons, respectively. South Africa imports most of its sunflower oil and meal and soybean meal from Argentina.

US$1 = Rand 6.92 (03/23/2011)

Sources:
w.sagis.org.za
w.grainsa.co.za
w.safex.co.za
w.daff.gov.za
w.afma.co.za

Total Oilseeds

Production

It is expected that the area to be planted with oilseeds later in 2011 for the 2012- marketing year will increase as farmers will plant more sunflower and soybeans and less corn. Corn is currently in oversupply on the domestic market, which is putting downward pressure on corn prices, while the recovery in the prices of oilseeds will motivate farmers to plant more oilseeds. Post forecasts sunflower production for the 2012-marketing year at 845,000 tons (two percent more than in the 2011-marketing year) on 650,000 hectares. It is expected that the area to be planted with soybeans will increase by almost 20 percent to 500,000 hectares, which, on average yield, could produce 850,000 tons of soybeans (20 percent more than in the 2011-marketing year). Peanut production for the 2011/12 marketing year is expected to stay constant at 85,000 tons.

The South African Crop Estimates Committee (CEC) released its second oilseeds production estimate for the 2011-marketing year on March 24, 2011. According to the CEC, South Africa will produce a record oilseed crop of 1.626 million tons on 1.116 million hectares (see also Figure 1). Favorable weather conditions and increased hectares planted with oilseeds are the two main contributors to the 2011-marketing year's record oilseed crop. The previous record of 1.538 million tons on 1.053 million hectares was produced in 1999. The sharp increase in oilseed plantings for the 2011- marketing year (45 percent more than the 766,600 hectares planted in the 2010-marketing year) was mainly due to a 13 percent or 359,100 hectares decrease in corn plantings. After three excellent production years, South Africa has an oversupply of corn on the domestic market, especially white corn, which continues to put downward pressure on corn prices. Hence, farmers switched some corn hectares to oilseeds where returns could be better. Of the 1.116 million hectares planted with oilseeds for the 2011-marketing year, sunflowers constitute about 58 percent, soybeans 37 percent and peanuts five percent.

The area planted with sunflower seed increased by 62 percent from 397,700 hectares in the 2010-marketing year to 642,700 hectares in the 2011-marketing year. The area planted with soybeans increased by 34 percent, from 311,450 hectares in the 2010-marketing year to 418,000 hectares in the 2011-marketing year. The past five year soybean plantings in South Africa increased by almost 130 percent as more farmers recognize the value of soybeans in a crop rotation system with corn. In addition, the production of soybeans is made relatively easier with the GM cultivars that are available in South Africa. Indications are that this upward trend in soybean plantings will continue in future. The South African Bureau for Food and Agricultural Policy (BFAP) projects that 605,000 hectares of soybeans could be planted by 2020, based on the growing demand for animal protein. The peanut area planted decreased marginally from 57,450 hectares in the 2010-marketing year to 55,150 hectares in the 2011-marketing year. The area planted with peanuts in South Africa shows a definite negative trend the past 30 years. Figure 1 illustrates the trends in the area planted with oilseeds the past 30 years in South Africa.

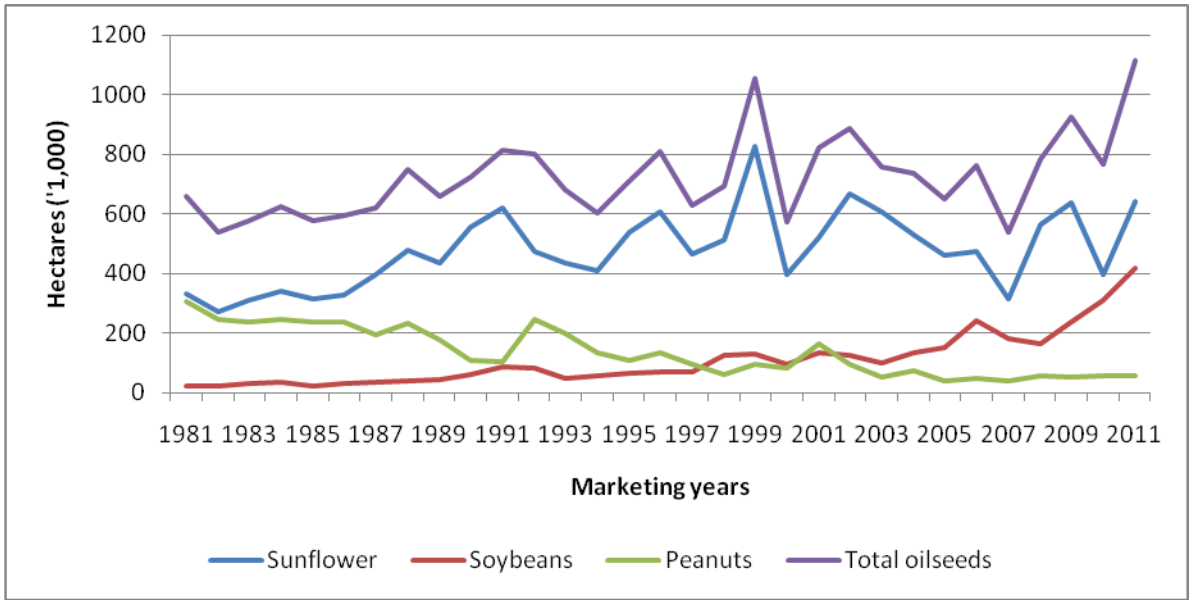

Figure 1: Trends in the area planted with oilseeds the past 30 years in South Africa

With an increase in the area planted and favorable weather conditions, a 70-percent increase in the production of sunflower seed in South Africa is expected for the 2011-marketing year compared to the 2010-marketing year (from 490,000 tons in 2010 to 831,220 tons in 2011). The soybean crop for the 2011-marketing year is estimated at about 709,350 tons, almost 26 percent more than in the 2010-marketing year. Soybean production in South Africa increased by more than three-fold the past five years and could reach 1.62 million tons by 2020 if the trend continues. It is estimated that about 85,575 tons of peanuts will be produced for the 2011/12- marketing year, three percent less than the 88,000 tons produced for the 2010/11-marketing year. Figure 2 illustrates the trends in oilseed production the past 30 years in South Africa.

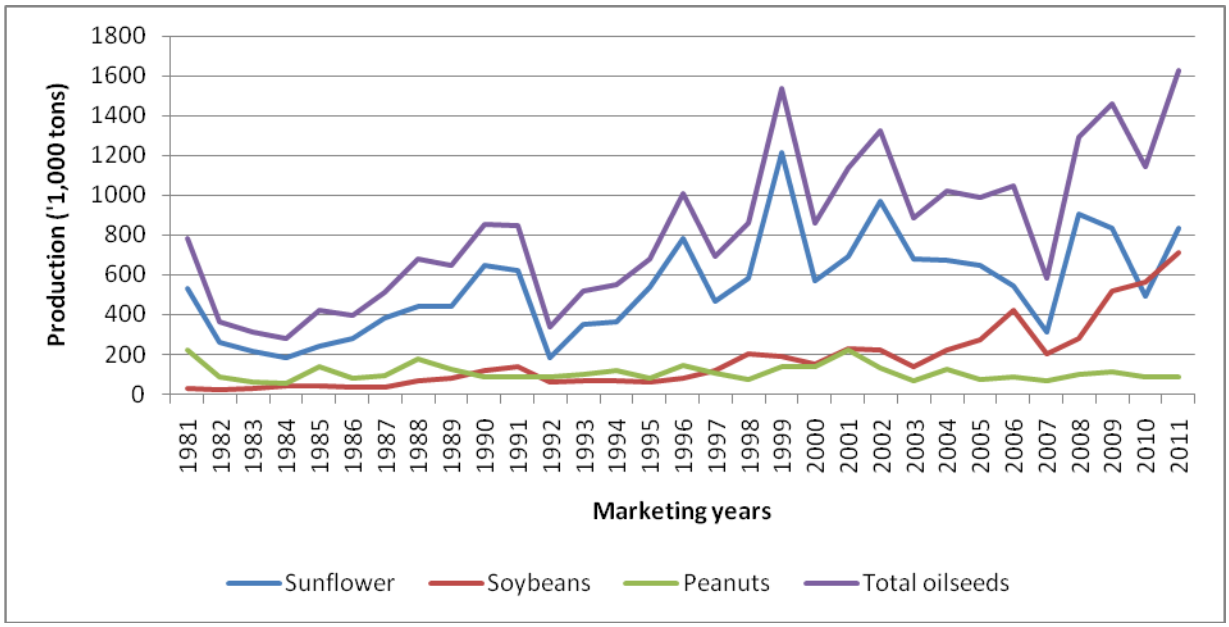

Figure 2: Trends in the production of oilseeds in South Africa the past 30 years

The following table contains area planted and production figures for sunflower, soybeans and peanuts for the 2010 (actual), 2011 (estimate) and 2012 (forecast) marketing years.

Table 1: Area planted and production of oilseeds in South Africa

Oilseeds	**Area (1,000ha)**	**Yield MT/ha**	**Prod. (1,000 MT)**	**Area (1,000ha)**	**Yield MT/ha**	**Prod. (1,000 MT**	**Area (1,000ha**	**Yield MT/ha**	**Prod (1,000 MT**
Marketing year	**2010**			**2011**			**2012**		
Sunflower	398	1.2	490	643	1.3	831	650	1.3	845
Soybeans	311	1.8	566	418	1.7	709	500	1.7	850
Peanuts*	57	1.5	88	55	1.5	86	55	1.5	85
TOTAL	**766**	**1.5**	**1,144**	**1,116**	**1.5**	**1,626**	**1,205**	**1.5**	**1,780**

Source: SAGIS

*****Data supplied on a shelled basis, converted to in-shell (X1.33).

Table 2 contains the area planted, production, and yield of sunflower, soybeans, and peanuts by provinces in South Africa for the 2010 and 2011 marketing years. Sunflower is mainly planted in the western, drier areas of the Free State and the North West provinces while soybeans are grown more in the higher rainfall areas of Mpumalanga and the eastern Free State provinces. The increase in the area planted with sunflower for the 2011-marketing year happened mainly in the Free State (125,000 hectares) and North West (95,000 hectares) provinces. The increase in soybeans planting for the 2011-marketing year occurred mainly in the Free State (40,000 hectares) and Mpumalanga (45,000 hectares) provinces.

Table 2: Area planted and production of sunflower, soybeans and peanuts by provinces in South Africa

Marketing year	**2010 Actual**			**2011 Estimate**		
	Area	**Yield**	**Prod.**	**Area**	**Yield**	**Prod.**
	(1,000 Ha)	**(MT/ha)**	**(1,000 MT)**	**(1,000 Ha)**	**(MT/ha)**	**(1,000 MT)**
Sunflower						
Free State	175	1.3	228	300	1.3	390
Mpumalanga	8	1.6	13	10	1.5	15
Limpopo	75	0.9	68	98	1.0	98
North West	135	1.3	175	230	1.4	322
Other	5	1.2	6	5	1.2	6
TOTAL	**398**	**1.2**	**490**	**643**	**1.3**	**831**
Soybeans						
Free State	95	1.6	152	135	1.5	203
KwaZulu	30	2.5	74	34	2.6	88
Mpumalanga	145	1.7	240	190	1.5	285
Limpopo	18	2.8	50	24	2.5	59
North West	10	2.7	27	20	2.5	50

Other	13	1.8	23	15	1.7	25
TOTAL	**311**	**1.8**	**566**	**418**	**1.7**	**709**
Peanuts						
N. Cape	10	2.7	27	8	2.9	23
Free State	25	1.4	35	23	1.4	32
North West	20	1.1	22	22	1.2	26
Other	2	2.5	5	2	2.0	5
TOTAL	**57**	**1.5**	**88**	**55**	**1.5**	**86**

Source: CEC

Consumption

Figure 3 illustrates the trend in the usage of sunflower seed in South Africa. Almost the entire sunflower crop that is produced in South Africa is destined for the processing industry for conversion to sunflower oil. Sunflower meal, a by-product of the oil extraction process, is sold to feed manufacturers domestically. It is generally regarded as a low-value product that does not compare well to soybean meal in terms of nutritional value and fiber content. For example, broiler rations cannot include more than seven percent sunflower meal. Hence, sunflower meal is mainly used as feed in the dairy and beef industries. The crushing capacity for sunflower seed in South Africa is estimated at around 1.1 million tons per annum, while the capacity for oilseed refineries is estimated at 950,000 tons per annum. Figure 3 illustrates the strong correlation between the local production of sunflower seed and crushing capacity utilized per annum. The maximum amount of sunflower seed crushed since 2000 years was 816,100 in 2009, when local production was 833,000 tons.

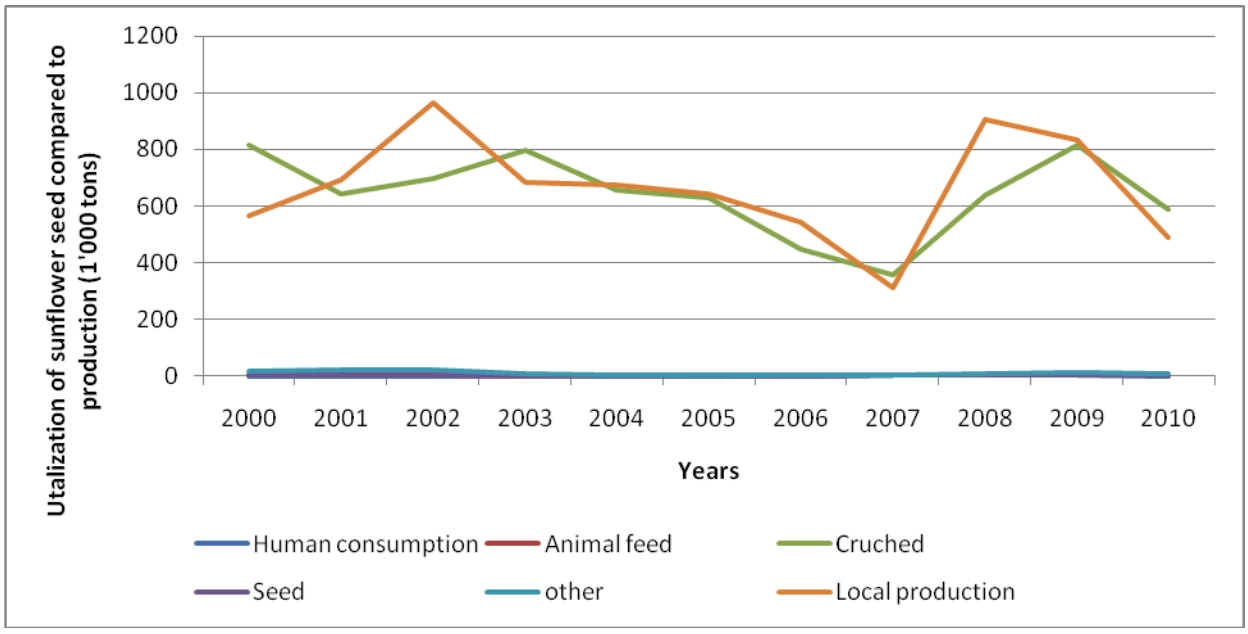

Figure 3: The utilization of sunflower seed in South Africa since 2000

The crushing capacity for soybeans is estimated at around 240,000 tons with another 200,000 tons new capacity to be added in the next two years. Investors have realized that the increasing trend in soybean production in South Africa will continue and that real opportunities exist in investing in new and

modernized crushing facilities. The processing capacity for full fat soy is estimated at 530,000 tons. Figure 4 illustrates the production and utilization of soybeans in South Africa since 2000. From Figure 4 illustrates an increasing trend in the local utilization of soybeans in South Africa, mainly driven by an increase in local soybean production. Like in the case of sunflower seed, is local soybean utilization strongly correlated with local soybean production, except for the last two years. In 2009 and 2010, local production of soybeans outstrips local utilization and as a result South Africa exported between 20 percent and 30 percent of its local produced crop. This illustrates the need for the soybean industry in South Africa to increase and modernized the local processing ability. Despite the crushing capacity constraint there is a positive trend in the amount of soybeans being crushed annually. For example, in 2000, only 69,500 tons of soybeans or 31 percent of total utilization were crushed, while in 2010, a record 184,100 tons of soybeans or 43 percent of total utilization were crushed (see also Figure 5). Soybean meal is mainly used for feed in the poultry and pork industries. The local demand for soybean meal, as a quality source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa.

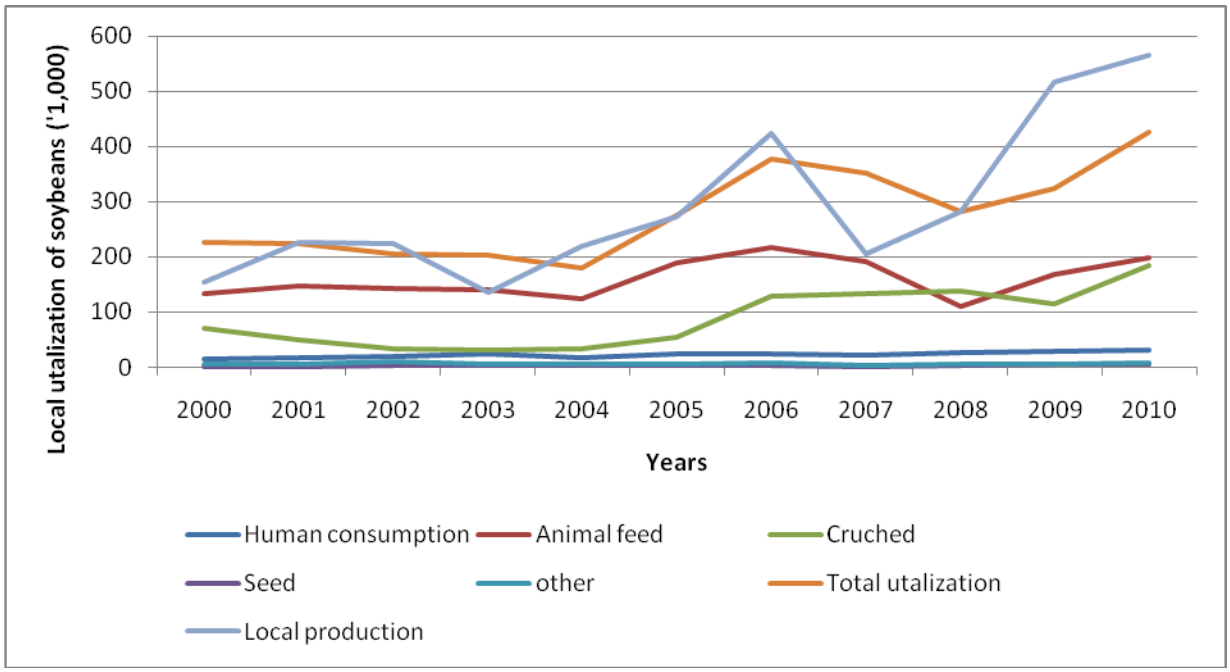

Figure 4: The utilization of soybean in South Africa since 2000

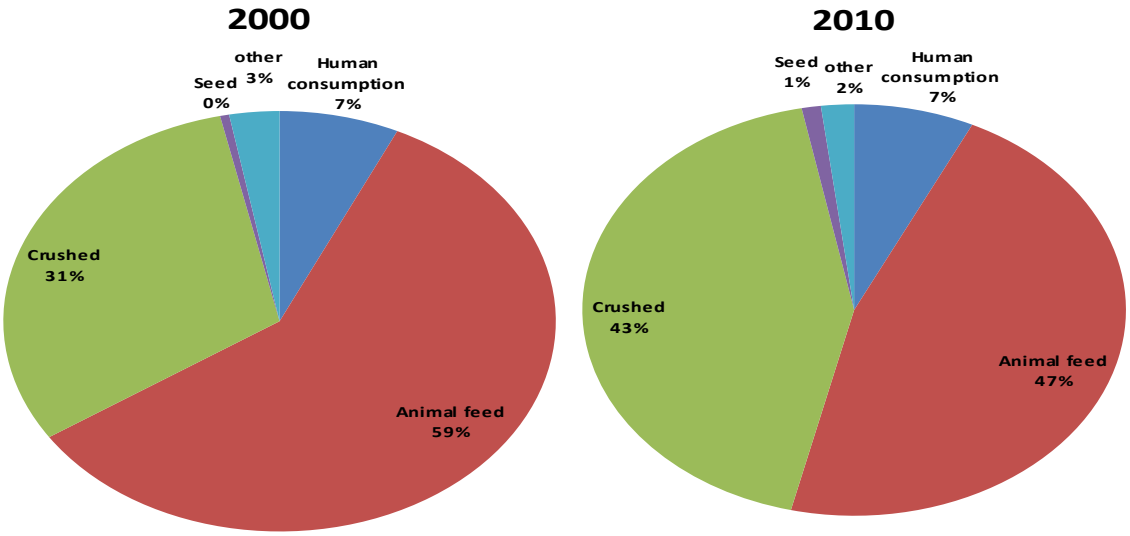

Figure 5: Comparing the utilization of soybeans in 2000 and 2010

The domestic consumption for peanuts is shown in Table 3. The domestic market is relatively stagnating at around 70,000 tons with about 40,000 tons of peanuts being consumed in the direct edible market and about 25,000 tons for the peanut butter market.

Table 3: The utilization of peanuts in South Africa

Peanuts*
000 t

Marketing year	**2010/2011**	**2011/12**	**2012/13**
Direct edible market	39	40	42
Peanut butter market	25	26	26
Oil and oilcake	6	5	5
Seed	2	3	3
Exports	28	20	20
Other	1	1	1
TOTAL**	101	95	97

Source: SAGIS & Grain SA
***Data supplied on a shelled basis, converted to in-shell (X1.33)
** Including carryover stocks from previous seasons and imports

As already mentioned, the local utilization of sunflower seed and soybeans is strongly correlated with the production of these crops. With the expected sharp increase in production in the 2011-marketing year, utilization is also expected to increase by more than 30 percent. The domestic utilization of sunflower and soybeans for the 2010 (actual), 2011 (estimate) and 2012 (forecast) marketing years are summarized in Table 5.

Table 5: The utilization of sunflower and soybeans by South Africa

Oilseeds (1,000 MT)	Sun-flower	Soy-beans	Total	Sun-flower	Soy-beans	Total	Sun-flower	Soy-beans	Total
Marketing year	**2010**			**2011**			**2012**		
Crush	587	184	771	780	210	990	800	250	1,050
Food	1	31	32	2	33	35	2	35	37
Animal feed	3	199	202	3	210	213	3	250	253
Seed	2	5	7	2	5	7	2	5	7
Other	1	8	9	3	8	11	6	8	14
Exports	0	123	123	1	245	246	10	270	280
TOTAL*	594	550	1,144	791	711	1,502	823	818	1,641

Source: SAGIS & Grain SA

* Including carry-over stocks from previous seasons and imports

Prices

The SAFEX prices for sunflower and soybeans as of 03/18/2011 are shown in Table 6. Following the international trend, local sunflower prices are trading 32 percent higher than a year ago while soybean prices are almost 52 percent higher than in 2010 (see also Figure 6).

Table 6: SAFEX prices for sunflower and soybeans

SAFEX Futures prices			
Commodity	**2011/03**	**2011/05**	**2011/07**
Sunflower	R4,310/t ($623/t)	R4,205/t ($608/t)	R4,289/t ($620/t)
Soybeans	R3,845/t ($556/t)	R3,436/t ($497/t)	R3,485/t ($504/t)

Source: SAFEX

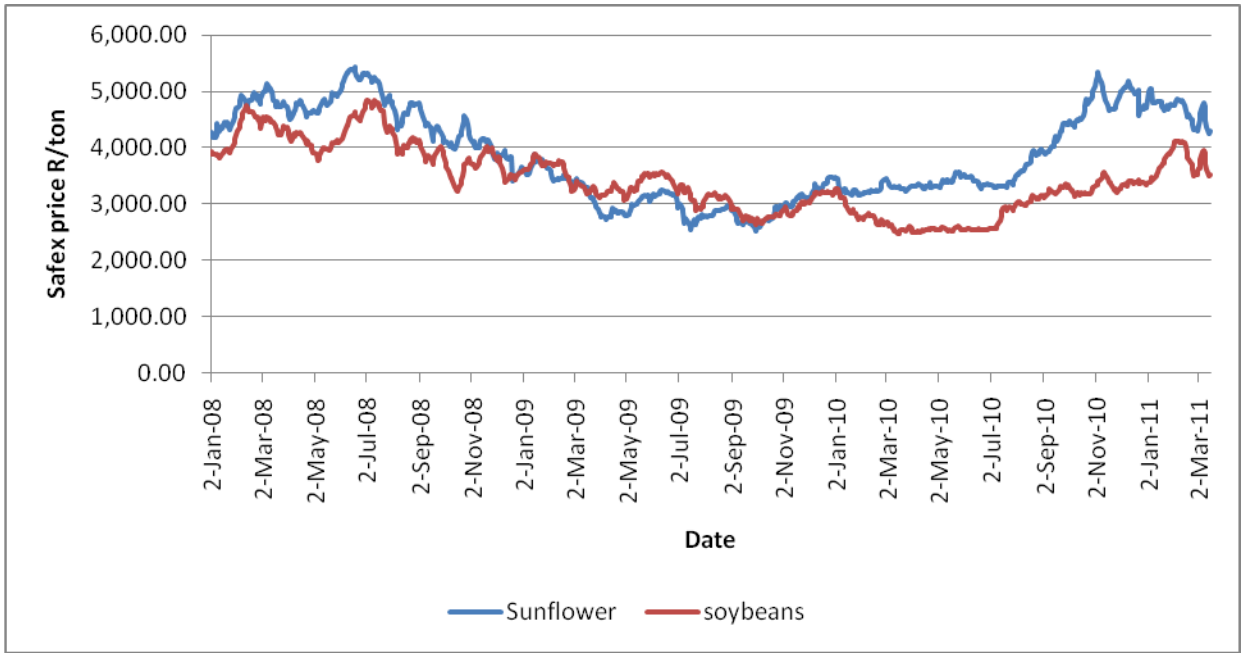

Figure 6: The SAFEX prices of sunflower and soybeans since 2008

Trade

South Africa's trade in oilseeds is mainly directed to the imports of oil and protein meal. However, with the increased production of soybeans and limited processing facilities, South Africa has become a net exporter of soybeans. South Africa exported 122,814 tons of soybeans in the 2010-marketing year and the expectation is that it will increase to 245,000 tons in the 2011-marketing year. South Africa exported soybeans in 2010 mainly to three countries, namely, Malaysia (66,022 tons), Indonesia (53,609 tons) and China (2,300 tons). On the other hand, according to the Global Trade Atlas, 25,513 tons (62,200 tons according to SAGIS) of sunflower seed were imported in the 2010-marketing year. Sunflower seed were mainly imported from Romania (23,119 tons) and Malawi (1,818 tons). Due to an estimated bumper sunflower crop of more than 800,000 tons, no imports of sunflower seed is expected in the 2011-marketing year. Exports of peanuts (according to SAGIS) for the 2010/11-marketing year could reach about 30,000 tons.

Current import tariffs for oilseeds and oilseed products are summarized in Table 7. The animal feed industry submitted a proposal to the International Trade Administration Commission (ITAC) in South Africa for the full rebate on the import duty of soybean meal in 2008. Grain SA opposed this proposal by explaining that the domestic soybean producer price in mainly derived from the landed price of imported soybean meal and therefore the lowering of the tariff will have a direct negative effect on the domestic soybean producer prices. Last year, ITAC, concluded that the import duty on soybean meal was to remain unchanged for three years to allow local producers to increase production and for soybean crushers to generate the needed capacity to service the local market in terms of quality and quantity. Both appear to be within reach.

Table 7: Current import tariffs of oilseeds

Product	General rate of duty	EU and SADC

Sunflower seed (12.06)	9.4%	Free
Soybeans (12.01)	8%	Free
Peanuts (12.02)	10%	Free
Soybean meal (23.04)	6.6%	Free
Sunflower meal (23.06)	6.6%	Free
Soybean oil (15.07)	10%	Free
Sunflower oil (15.1211)	10%	Free

Source: SAGIS

Oilseed, Sunflower seed South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	400	400	515	643		650
Area Harvested	400	400	515	643		650
Beginning Stocks	62	62	26	20		60
Production	516	490	650	831		845
MY Imports	5	62	50	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	583	614	726	851		905
MY Exports	1	0	1	1		10
MY Exp. to EU	0	0	0	0		0
Crush	548	587	700	780		800
Food Use Dom. Cons.	2	1	3	2		2
Feed Waste Dom. Cons.	6	6	8	8		11
Total Dom. Cons.	556	594	711	790		813
Ending Stocks	26	20	14	60		82
Total Distribution	583	614	726	851		905
CY Imports	75	26	50	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	1	0	1	1		10
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

Oilseed, Soybean South Africa	2009/2010	2010/2011	2011/2012
	Market Year Begin: Jan 2010	Market Year Begin: Jan 2011	Market Year Begin: Jan

					2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	310	310	390	418		500
Area Harvested	310	310	390	418		500
Beginning Stocks	41	41	31	59		59
Production	561	566	715	709		850
MY Imports	2	2	2	2		2
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	604	609	748	770		911
MY Exports	140	123	150	245		270
MY Exp. to EU	0	0	0	0		0
Crush	140	184	180	210		250
Food Use Dom. Cons.	45	31	55	33		35
Feed Waste Dom. Cons.	248	212	280	223		263
Total Dom. Cons.	433	427	515	466		548
Ending Stocks	31	59	83	59		93
Total Distribution	604	609	748	770		911
CY Imports	2	2	2	2		2
CY Imp. from U.S.	0	0	0	0		0
CY Exports	130	123	150	245		270
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

Oilseed, Peanut South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		Market Year Begin: Mar 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	60	60	60	55		55
Area Harvested	57	57	60	55		55
Beginning Stocks	6	6	5	5		8
Production	130	120	120	113		113
MY Imports	6	3	10	5		5
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	142	129	135	123		126
MY Exports	22	30	25	20		20
MY Exp. to EU	0	0	0	0		0
Crush	25	10	25	10		10
Food Use Dom. Cons.	80	80	75	80		85
Feed Waste Dom. Cons.	10	4	10	5		5
Total Dom. Cons.	115	94	110	95		100
Ending Stocks	5	5	0	8		6
Total Distribution	142	129	135	123		126
CY Imports	6	3	10	5		5
CY Imp. from U.S.	0	0	0	0		0
CY Exports	22	30	25	20		20

CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

Total Meals

Production

In the 2010-marketing year, South Africa crushed 771,000 tons of oilseeds which produced 394,000 tons of meal. In Figure 7, the trends in oilseeds crushed in South Africa since 2000 are illustrated. Due to a bumper soybean and sunflower crop, it is estimated that South Africa will crush a record 990,000 tons of oilseeds in 2011, which will produce approximately 496,000 tons of oilseed meal. This is 26 percent more meal than in 2010, but only about 32 percent of the local consumption of oilseed meal (see also Table 9). For the 2012-marketing year, post forecast that South Africa will crush about 1.050 million tons, six percent more than this year, due to an increase in the crushing capacity of soybeans. In Table 8, the production of soybean meal and sunflower meal in South Africa are shown for marketing years 2010 (actual), 2011 (estimate) and 2012 (forecast). Crushing yields used includes 42 percent meal for sunflower seed and 80 percent meal for soybeans**.**

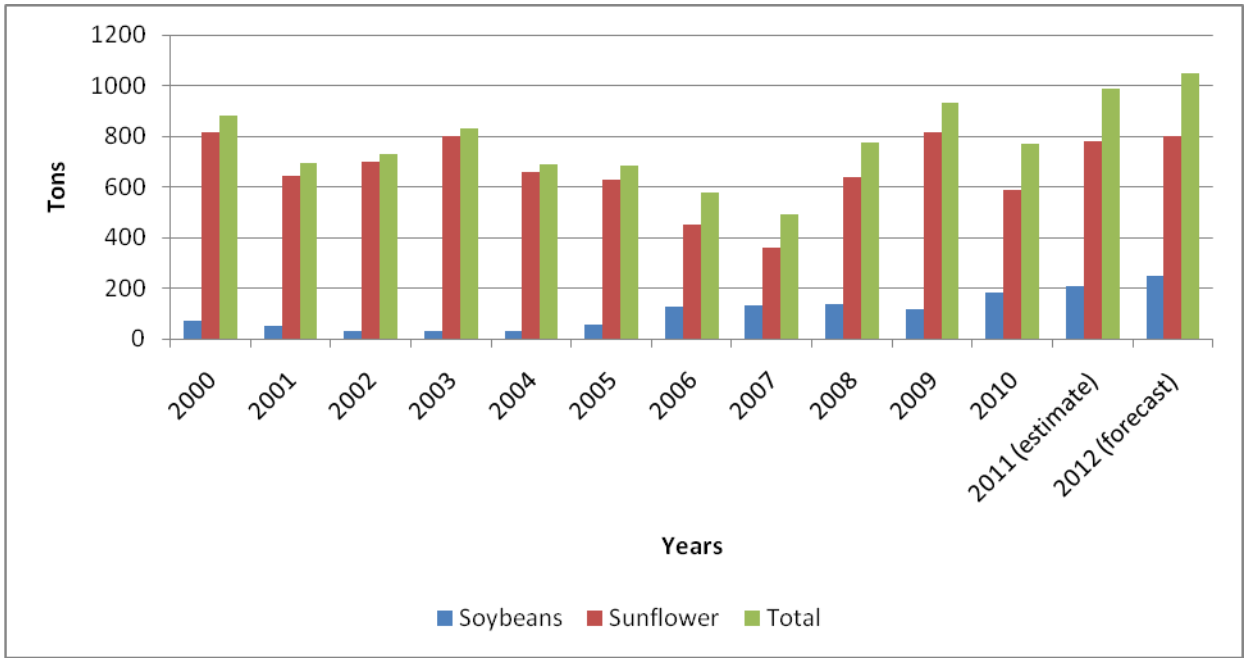

Figure 7: Trends in oilseeds crushed in South Africa

Table 8: Oilseed meal production in South Africa

Oilseeds (1,000MT)	Crush			Meal produced		
Marketing year	**2010**	**2011**	**2012**	**2010**	**2011**	**2012**
Sunflower (42% meal)	587	780	800	247	328	336
Soybean (80% meal)	184	210	250	147	168	200
TOTAL	771	990	1,050	394	496	536

Source: SAGIS

Consumption

In 2010, South Africa consumed about 1.4 million tons of oilseed meal. The consumption of oilseed meal in South Africa is expected to grow by four percent in 2011 to 1.5 million tons and by another three percent in 2012 to 1.6 million tons, due to an increase in demand and the availability local produced oilseed meal. In Table 9 the consumption of soybean meal and sunflower meal in South Africa are shown for marketing years 2010 (actual), 2011 (estimate) and 2012 (forecast).

Table 9: The consumption of soybean meal and sunflower meal

Oilseeds (1,000MT)			
Marketing year	**2010**	**2011**	**2012**
Sunflower meal	331	400	410
Soybean meal	1,092	1,140	1,180
TOTAL	1,423	1,540	1,590

In Table 10, the raw material usage and inclusion rates by members of the Animal Feed Manufactures Association (AFMA) for the 2008/09, 2009/10 and 2010/11 April/March-marketing years are shown. This amounts to between 70 percent to 80 percent of the total raw material used by feed manufactures in South Africa. The inclusion rate of soybean meal and sunflower meal is about 20 percent in feed rations by AFMA members.

Table 10: Raw material usage by AFMA members (April to March)

Raw materials	Total	Inclusion	Total	Inclusion	Total	Inclusion

	(1,000MT) 2008/09	rate (%)	(1,000MT) 2009/10	rate (%)	(1,000MT) 2010/11	rate (%)
Sunflower meal	249	5.6	314	5.9	288	5.2
Groundnuts meal	0	0.0	0	0.0	0	0.0
Soybean meal	716	16.0	701	13.2	775	14.1
Full fat soy	92	2.1	165	3.1	173	3.1
Cotton meal	20	0.5	19	0.4	19	0.4
Cotton seed	5	0.1	5	0.1	6	0.1
Canola meal	2	0.1	3	0.1	5	0.1
Full fat canola	0	0.0	1	0.0	1	0.0
Copra and Palm Kernel	5	0.1	8	0.1	8	0.1
Corn germ oilcake	4	0.1	4	0.1	4	0.1
Total oilseed meal	**1,093**	**21.7**	**1,218**	**22.9**	**1,279**	**23.2**
Total corn products	**2,845**	**55.5**	**2,901**	**54.6**	**2,997**	**54.3**
Total fishmeal	**74**	**1.5**	**77**	**1.1**	**37**	**0.7**

Source: AFMA

Trade

Figure 8 illustrates the widening gap between soybean and sunflower meal produced in South Africa and the imports of these meals. Current investments in modern crushing facilities can increase the availability of quality oilseed meal.

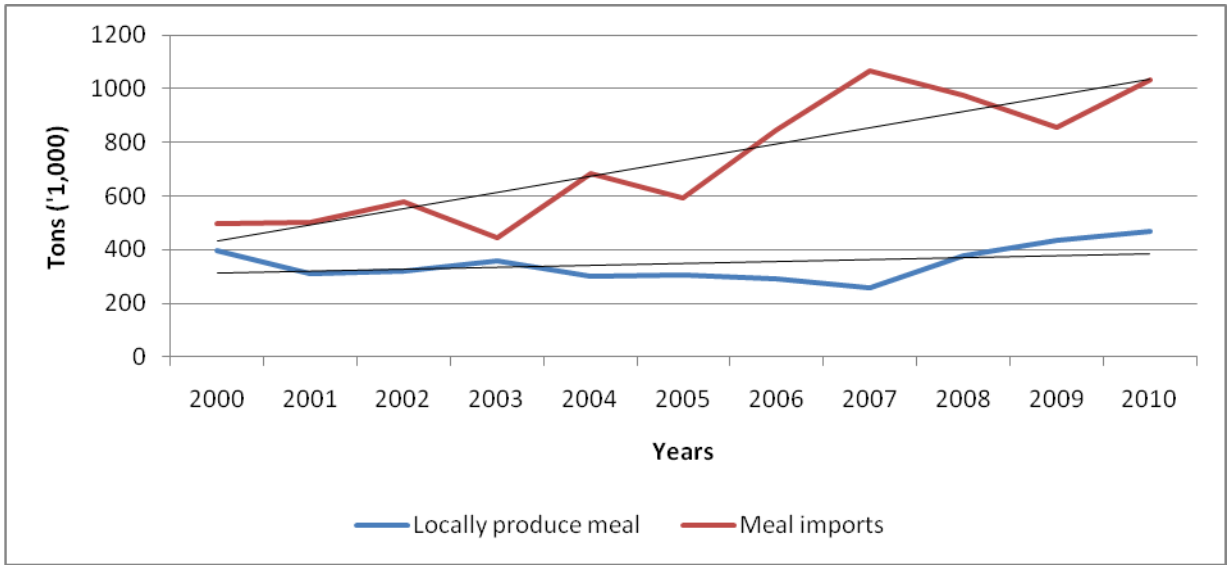

Figure 8: The widening gap between soybean and sunflower meal produced in South Africa and imports of these meals

Imports of soybean meal recovered in 2010 to 958,982 tons after a 16 percent decline in 2009 to only 783,591 tons due to high international soybean prices. The imports of sunflower meal increased marginally by three percent to 73,579 tons. Almost all imports of soybean meal and sunflower meal are from Argentina. Below are the import trade matrices of sunflower meal and soybean meal. For the 2011-marketing year imports for soybean meal is expected to increase by three percent to 992,000 tons, while sunflower meal imports will stay low at about 72,000 tons.

Import Trade Matrix

Country	South Africa		
Commodity	Sunflower meal		
Time Period	CY	Units:	MT
Imports for:	2009		**2010**
U.S.	0	U.S.	0
Others		Others	
Argentina	71,547	Argentina	73,338
	71,547		73,338
	0		241
	71,547		73,579

Import Trade Matrix

Country	South Africa		
Commodity	Soybean meal		
Time Period	CY	Units:	MT
Imports for:	**2009**		**2010**
U.S.	0	U.S.	0
Others		Others	
Argentina	773,482	Argentina	957,524
Zimbabwe	3,295	Zambia	1,136
Zambia	4,483		
Total for Others	781,260		
Others not Listed	2,331		212
Grand Total	783,591		958,872

Meal, Sunflower seed South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	548	587	700	780		800
Extr. Rate, 999.9999	0.	0.4208	0.	0.4205		0.42
Beginning Stocks	10	10	0	0		0
Production	233	247	296	328		336
MY Imports	90	74	85	72		74
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	333	331	381	400		410
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	333	331	381	400		410
Total Dom. Cons.	333	331	381	400		410
Ending Stocks	0	0	0	0		0
Total Distribution	333	331	381	400		410
CY Imports	90	74	85	72		74
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0
SME	314	313	360	378		387
TS=TD		0		0		0

Meal, Soybean South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	140	184	180	210		250
Extr. Rate, 999.9999	1.	0.7989	1.	0.8		0.8
Beginning Stocks	0	0	0	0		0
Production	110	147	142	168		200
MY Imports	890	959	902	992		1,000
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,000	1,106	1,044	1,160		1,200
MY Exports	20	14	20	20		20
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	980	1,092	1,024	1,140		1,180
Total Dom. Cons.	980	1,092	1,024	1,140		1,180
Ending Stocks	0	0	0	0		0
Total Distribution	1,000	1,106	1,044	1,160		1,200

CY Imports	900	959	840	992		1,000
CY Imp. from U.S.	0	0	0	0		0
CY Exports	3	14	3	20		20
CY Exp. to U.S.	0	0	0	0		0
SME	980	1,092	1,024	1,140		1,180
TS=TD		0		0		0

Total Oils

Production

It is estimated that South Africa will produce 334,000 tons of oilseed oil in the 2011-marketing year. This is 30 percent more than in 2010 due to the increase in sunflower seed and soybean production in South Africa. It is expected that oilseed oil production will increase to 349,000 tons in 2012-marketing year. In Table 11, the production of soybean oil and sunflower oil in South Africa are shown for marketing years 2010 (actual), 2011 (estimate) and 2012 (forecast). Crushing yields used include 38 percent oil for sunflower seed and 18 percent oil for soybeans.

Table 11: Oilseed oil production in South Africa

Oilseeds (1,000MT)	**Crush**			**Oil produce**		
Marketing year	**2010**	**2011**	**2012**	**2010**	**2011**	**2012**
Sunflower (38% oil)	587	780	800	223	296	304
Soybean (18% oil)	184	210	250	33	38	45
TOTAL	771	990	1,050	256	334	349

Consumption

South Africa consumes about one million tons of vegetable oil per annum. Approximately 30 percent of the vegetable oil is locally produced. In Table 12, the consumption of soybean oil, sunflower oil, palm oil and other vegetable oils in South Africa are shown for marketing year 2010 (actual), 2011 (estimate) and 2012 (forecast). For the 2011-marketing year sunflower oil and soybean oil consumption is expected to increase to 380,000 tons and 300,000 tons respectively on the back higher local production.

Table 12: The consumption of soybean oil, sunflower oil and palm oil in South Africa

Oilseeds (1,000MT)			
Marketing year	**2010**	**2011**	**2012**
Sunflower oil	276	336	350
Soybean oil	284	300	320
Palm oil	350	354	360
Other vegetable oils	100	70	70
TOTAL	**1,010**	**1,060**	**1,100**

In Figure 9, the trends in sunflower oil, soybean oil and total vegetable oil consumption in South Africa are illustrated. The substitution in 2009 of soybean oil with sunflower oil due to relative higher soybean oil prices can clearly be seen from the graph. The positive trend in vegetable oil consumption in South Africa is expected to continue in relation to economic growth.

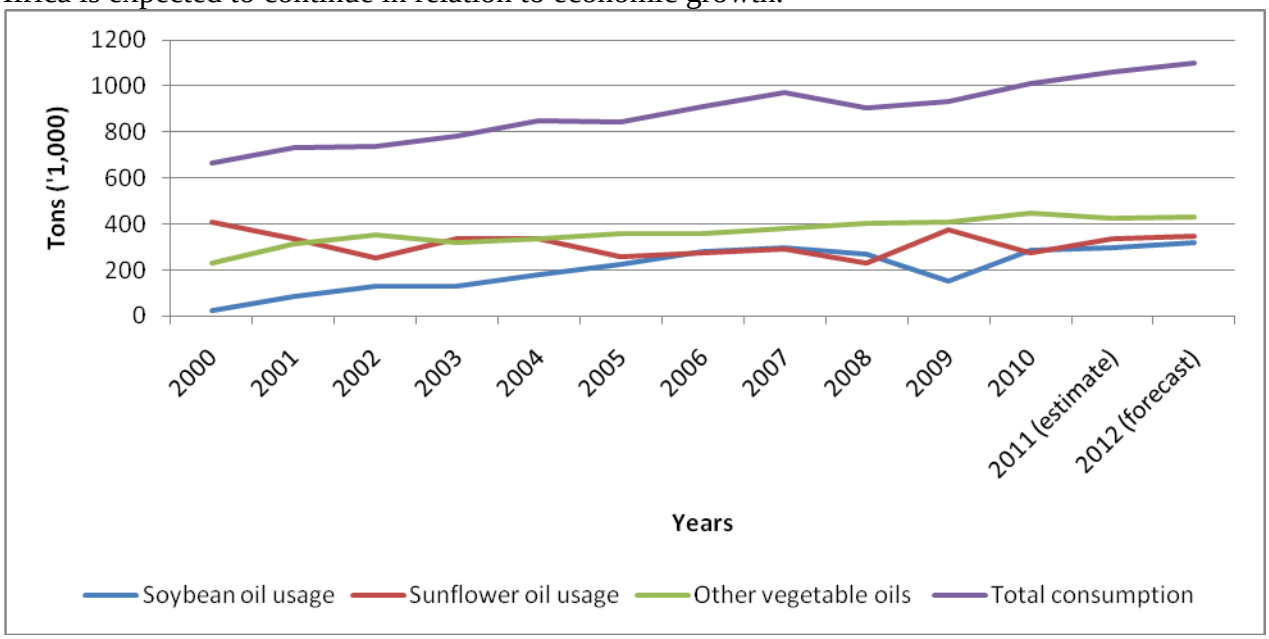

Figure 9: The consumption of vegetable oil in South Africa

Trade

Figure 10 illustrates the widening trend between soybean and sunflower oil produced in South Africa and vegetable oil imports. Sunflower oil imports by South Africa decreased slightly by seven percent to 108,314 tons in 2010, while imports of soybean oil doubled to 273,283 tons on the back of relative lower soybean oil prices. More than 70 percent of the sunflower oil was imported from Argentina, while soybean oil was imported from Germany (32 percent), Argentina (30 percent) and the Netherlands (21 percent). The imports of palm oil increased by six percent in 2010 to 349,360 tons. Palm oil is mainly imported from Malaysia (51 percent) and Indonesia (49 percent). For the 2011-marketing year sunflower oil imports is expected to stay at around 110,000 tons, while soybean oil imports is expected to increase by five percent to 287,000 tons.

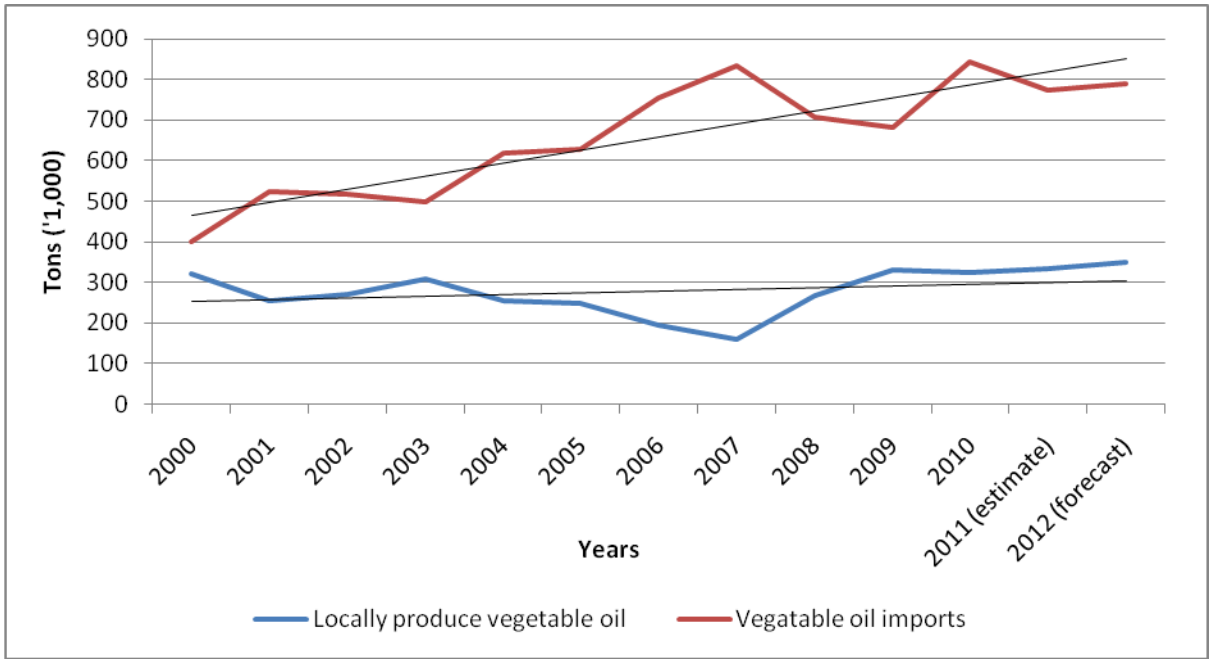

Figure 10: The widening gap between soybean and sunflower oil produced in South Africa and imports of vegetable oils

Import Trade Matrix

Country	South Africa		
Commodity	Sunflower oil		
Time Period	CY	Units:	MT
Imports for:	**2009**		**2010**
U.S.	0	U.S.	0
Others		Others	
Argentina	111,505	Argentina	79,955
Brazil	3,990	Russia	11,983
		Ukraine	8,487
		Netherlands	4,990
		Bolivia	2,323
Total for Others	115,495		107,739
Others not Listed	600		575
Grand Total	116,095		108,314

Import Trade Matrix

Country	South Africa		
Commodity	Soybean oil		
Time Period	CY	Units:	MT
Imports for:	**2009**		**2010**
U.S.	2	U.S.	0
Others		Others	
Argentina	92,467	Argentina	82,711
Brazil	35,023	Germany	88,326
Netherlands	7,018	Netherlands	57,299
		Spain	29,526
		Brazil	15,312
Total for Others	134,508		273,174
Others not Listed	1,651		109
Grand Total	136,159		273,283

Import Trade Matrix

Country	South Africa		
Commodity	Palm oil		
Time Period	CY	Units:	MT
Imports for:	**2009**		**2010**
U.S.	1,327	U.S.	0
Others		Others	
Malaysia	172,766	Malaysia	176,924
Indonesia	156,570	Indonesia	169,733
		Argentina	2,593
Total for Others	329,336		349,250
Others not Listed	258		110
Grand Total	330,921		349,360

Oil, Sunflower seed South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	548	587	700	780		800
Extr. Rate, 999.9999	0.	0.3799	0.	0.3795		0.38
Beginning Stocks	21	21	0	0		0
Production	217	223	278	296		304
MY Imports	110	108	110	110		110
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	348	352	388	406		414
MY Exports	65	76	65	70		64
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	283	276	323	336		350
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	283	276	323	336		350
Ending Stocks	0	0	0	0		0
Total Distribution	348	352	388	406		414
CY Imports	160	108	160	110		110
CY Imp. from U.S.	0	0	0	0		0
CY Exports	45	76	50	70		64
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

Oil, Soybean South Africa	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	140	184	180	210		250
Extr. Rate, 999.9999	0.	0.1793	0.	0.181		0.18
Beginning Stocks	0	0	0	0		0
Production	26	33	33	38		45
MY Imports	225	273	265	287		300
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	8	8	5	5		5
Total Supply	251	306	298	325		345
MY Exports	18	22	25	25		25
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	233	284	273	300		320
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	233	284	273	300		320
Ending Stocks	0	0	0	0		0
Total Distribution	251	306	298	325		345
CY Imports	273	273	260	287		300
CY Imp. from U.S.	0	0	0	0		0

CY Exports	22	22	25	25		25
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0